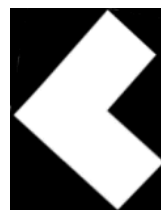


Emporia-Greenville Airport Commission
Annual Comprehensive Financial Report
Year Ended June 30, 2024



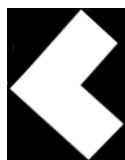
Creedle, Jones
& Associates, P.C.
Certified Public Accountants

Emporia-Greenville Airport Commission

Table of Contents

Year Ended June 30, 2024

	Pages
Independent Auditor's Report	i-iii
Management's Discussion and Analysis	1-3
FINANCIAL STATEMENTS	
Exhibits	
A Statement of Net Position	4
B Statement of Revenues, Expenses, and Changes in Net Position	5
C Statement of Cash Flows	6
Notes to the Financial Statements	7-12
COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14



INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Emporia-Greenville Airport Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Emporia-Greenville Airport Commission as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Emporia-Greenville Airport Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Emporia-Greenville Airport Commission, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Emporia-Greenville Airport Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2024, the Commission adopted new accounting guidance, GASB Statement No. 99, Omnibus 2022 and No. 100, Accounting Changes and Error Corrections. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Emporia-Greenville Airport Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Emporia-Greenville Airport Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Emporia-Greenville Airport Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1–3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the Emporia-Greenville Airport Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Emporia-Greenville Airport Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Emporia-Greenville Airport Commission's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
February 5, 2025

Emporia-Greenville Airport Commission

Management's Discussion and Analysis

As of June 30, 2024

Our discussion and analysis of the Emporia-Greenville Airport Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2024. Please read this information in conjunction with the Emporia-Greenville Airport Commission's basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Emporia-Greenville Airport Commission (the "Commission") presents three basic financial statements. These are: (1) Statement of Net Position; (2) Statement of Revenues, Expenses, and Changes in Net Position; and (3) Statement of Cash Flows.

Our financial position is measured in terms of resources (assets) we own and obligations (liabilities) we owe on a given date. This information is reported on the Statement of Net Position, which reflects the Commission's assets in relation to its debt to creditors. The excess of our assets over liabilities is our equity, or net position.

Information regarding the results of our operation during the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position. This statement shows how much our overall net position increased or decreased during the year as a result of our operations and for other reasons.

Our Statement of Cash Flows discloses the flow of cash resources into and out of the Commission during the year and how we applied those funds.

FINANCIAL SUMMARY

Financial Position. A summary of the Commission's Statement of Net Position for 2024 and 2023 is presented below:

	<u>2024</u>	<u>2023</u>
Total Assets	<u>\$ 7,114,926</u>	<u>\$ 7,180,106</u>
Total Liabilities	<u>\$ 5,503</u>	<u>\$ 6,030</u>
Deferred Inflows of Resources	<u>39,226</u>	-
Net Position		
Net investment in capital assets	<u>6,985,700</u>	<u>7,082,386</u>
Unrestricted	<u>84,497</u>	<u>91,690</u>
Total Net Position	<u>7,070,197</u>	<u>7,174,076</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 7,114,926</u>	<u>\$ 7,180,106</u>

Change in Net Position. A summary of the Commission's Statement of Revenues, Expenses, and Changes in Net Position for 2024 and 2023 is presented below:

**Condensed Statements of Revenues, Expenses,
and Changes in Net Position**

	<u>2024</u>	<u>2023</u>
Operating Income	\$ 100,491	\$ 126,972
Operating Expenses	<u>(530,659)</u>	<u>(545,375)</u>
Net Operating Loss	(430,168)	(418,403)
Non-Operating Income	<u>326,289</u>	<u>163,287</u>
Change in Net Position	<u>\$ (103,879)</u>	<u>\$ (255,116)</u>

During the year, the Commission had an operating loss of \$430,168. The Commission had non-operating income in the form of grants and contributions from localities, which amounted to \$326,289. Operating expenses of \$530,659 included gas purchases, depreciation, insurance, payroll, and repairs and maintenance.

Cash Flows. A summary of the Commission's Statements of Cash Flows for 2024 and 2023 is presented below:

Condensed Statements of Cash Flows

	<u>2024</u>	<u>2023</u>
Cash Flows Provided by (Used in)		
Operating activities	\$ (166,318)	\$ (132,350)
Non-capital financing activities	325,466	163,287
Capital and related financing activities	(166,108)	(41,543)
Investing activities	<u>442</u>	<u>-</u>
Net Decrease in Cash	<u>\$ (6,518)</u>	<u>\$ (10,606)</u>

Cash flows from operating activities consist of receipts from customers less payments to suppliers, creating a negative cash flow of \$166,318.

Cash flows from non-capital financing activities net to a positive cash flow of \$325,466, consisting of receipts from localities and grants. Capital and related financing activities net to a negative cash flow of \$166,108, resulting from purchases of fixed assets.

Cash flows from investing activities consist of interest income creating a positive cash flow of \$442.

During fiscal year 2024, there was a decrease of \$6,518 in cash. This was a direct outcome of expenditures on projects in progress being offset by local, state, and federal funding.

Change in Capital Assets. A summary of the Commission's Statement of Change in Capital Assets for 2024 and 2023 is presented below:

Change in Capital Assets

	<u>Balance</u> <u>July 1, 2023</u>	<u>Net Additions</u> <u>and Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Land	\$ 70,700	\$ -	\$ 70,700
Construction-in-progress	113,046	14,241	127,287
Land improvements	205,267	-	205,267
Airport infrastructure	9,298,672	-	9,298,672
Buildings and improvements	1,802,498	6,271	1,808,769
Machinery, equipment, and vehicles	222,622	145,596	368,218
Accumulated depreciation	<u>(4,630,419)</u>	<u>(262,794)</u>	<u>(4,893,213)</u>
Total Capital Assets, Net	<u>\$ 7,082,386</u>	<u>\$ (96,686)</u>	<u>\$ 6,985,700</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Executive Director, Emporia-Greenville Airport Commission, 139 Airport Drive, Emporia, Virginia 23847, telephone 434-634-3696.

FINANCIAL STATEMENTS

Emporia-Greenville Airport Commission

Statement of Net Position

June 30, 2024

Assets

Assets

Current Assets

Cash	\$ 53,900
Rent receivable	975
Interest receivable	132
Short-term lease receivable	8,170
Inventory	19,368
Prepaid insurance	<u>15,376</u>
Total Current Assets	97,921

Noncurrent Assets

Lease receivable, net of current portion	31,305
<i>Capital Assets</i>	
Land and construction-in-progress	197,987
Other capital assets, net	<u>6,787,713</u>

Capital Assets, Net	<u>6,985,700</u>
---------------------	------------------

Total Noncurrent Assets	<u>7,017,005</u>
-------------------------	------------------

Total Assets	<u>\$ 7,114,926</u>
--------------	---------------------

Liabilities, Deferred Inflows of Resources and Net Position

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,878
Unearned rent	<u>3,625</u>
Total Current Liabilities	5,503

Long-Term Liabilities

Total Liabilities	<u>5,503</u>
-------------------	--------------

Deferred Inflows of Resources

Leases	<u>39,226</u>
Total Deferred Inflows of Resources	39,226

Net Position

Net investment in capital assets	6,985,700
Unrestricted	<u>84,497</u>
Total Net Position	<u>7,070,197</u>

Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 7,114,926</u>
---	---------------------

The accompanying notes to the financial statements are an integral part of this statement.

Emporia-Greenville Airport Commission

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

Operating Revenues

Hangar and other rent	\$	31,896
Jet fuel sales		68,295
Miscellaneous		<u>300</u>

Total Operating Revenues 100,491

Operating Expenses

Bookkeeping, clerical, treasurer, commissions	1,860
Insurance	18,280
Utilities	13,492
Conference	3,300
Staff and contract services	33,682
Payroll taxes	2,577
Office supplies and postage	4,547
Legal and accounting	7,674
Telephone and communications	7,381
Fixed base operator	47,350
Jet fuel purchases and maintenance	58,041
Repairs and maintenance	61,317
Dues and subscriptions	2,034
Tower rent	600
Depreciation	262,794
Miscellaneous	<u>5,730</u>

Total Operating Expenses 530,659

Operating Loss (430,168)

Non-Operating Revenues (Expenses)

State revenues	88,874
Federal revenues	14,241
Contributions from localities	188,480
Interest	823
Insurance proceeds	<u>33,871</u>

Total Non-Operating Revenues (Expenses) 326,289

Change in Net Position (103,879)

Net Position - Beginning of Year 7,174,076

Net Position - End of Year \$ 7,070,197

The accompanying notes to the financial statements are an integral part of this statement.

Emporia-Greenville Airport Commission

Statement of Cash Flows

Year Ended June 30, 2024

Cash Flows from Operating Activities

Receipts from customers	\$ 118,784
Payments to suppliers	<u>(285,102)</u>
Net Cash Used in Operating Activities	(166,318)

Cash Flows from Non-Capital Financing Activities

Receipts from localities	188,480
Receipts from federal and state grants	103,115
Insurance proceeds	<u>33,871</u>
Net Cash Provided by Non-Capital Financing Activities	325,466

Cash Flows from Capital and Related Financing Activities

Purchase of fixed assets	<u>(166,108)</u>
Net Cash Used in Capital and Related Financing Activities	(166,108)

Cash Flows from Investing Activities

Interest income	<u>442</u>
Net Cash Provided by Investing Activities	<u>442</u>

Net Decrease in Cash and Cash Equivalents	(6,518)
---	---------

Cash and Cash Equivalents - Beginning of Year	<u>60,418</u>
---	---------------

Cash and Cash Equivalents - End of Year	<u><u>\$ 53,900</u></u>
---	-------------------------

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

Operating loss	\$ (430,168)
<i>Adjustments to reconcile operating loss to net cash used in operating activities</i>	
Depreciation	262,794
<i>Changes in assets and liabilities</i>	
Decrease in accounts receivable	16,693
Decrease in rent receivable	1,300
Decrease in accounts payable and accrued liabilities	(827)
Increase in unearned rent	300
Decrease in prepaid expenses	43
Increase in inventory	<u>(16,453)</u>
Net Cash Used in Operating Activities	<u><u>\$ (166,318)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Emporia-Greenville Airport Commission

Notes to the Financial Statements

Year Ended June 30, 2024

1 Organization, Description of the Entity and Its Activities

The Emporia-Greenville Airport Commission (the "Commission") was created by a resolution of the General Assembly of Virginia (the "Assembly") in 1976 in accordance with Chapter 33, Title 15.1, of the Code of Virginia of 1950, as amended (the "Act"). The purpose of the Commission shall be to establish and operate one or more airports or landing fields for all such political subdivisions.

The Board consists of members from the City of Emporia, Virginia and the County of Greenville, Virginia.

2 Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB).

The Commission applies all GASB pronouncements as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions and Accounts Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

Basis of Accounting

The Commission's accounting system is organized and operated on a fund basis. A fund records cash and other financial resources, together with all related liabilities, obligations, reserves, and residual equity, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. The Commission utilizes one type of Proprietary Fund with that being an Enterprise Fund.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Commission is that the cost of providing services to the general public be financed or recovered through user charges. In the Commission's operation, costs are represented by interest expense and financing cost, while user charges consist of interest income earned on receivables.

The Commission utilizes the accrual basis of accounting under which revenues are recorded in the period earned and expenses are recorded when the related liabilities are incurred.

The Commission may realize its assets and liquidate its liabilities in operating cycles, which range from very short to very long periods. The accompanying financial statements are presented in a nonclassified format because working capital concepts are not indicative of its operating cycle.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

The Commission utilizes the direct write-off method for the reporting of uncollectible receivables. Generally accepted accounting principles require the use of an allowance for doubtful accounts method, which recognizes anticipated losses, based on predetermined guidelines.

Inventory

Gasoline inventory is valued at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Capital assets of the Commission are stated at cost and, at the time of acquisition, are set up in a comprehensive fixed asset system. Depreciation of the cost of capital assets is provided on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 - 40 years
Airport infrastructure	10 - 65 years
Buildings and improvements	10 - 50 years
Machinery, equipment, and vehicles	5 - 10 years

Leases

As lessee, the Commission recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission uses its estimated incremental borrowing rate as the discount rate for leases. The Commission's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease commencement date.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

As lessor, the Commission recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Cash Equivalents

The Commission considers all investments purchased with a maturity of three months or less to be cash equivalents.

Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net Position Flow Assumptions

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Adoption of New GASB Statements

The Commission adopted the following GASB statements during the year ended June 30, 2024:

In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Commission.

In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Commission.

3 Cash and Investments

Deposits

All cash of the Commission is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the Code of Virginia or covered by Federal Depository Insurance.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

4 Local Contributions

Local contributions were as follows:

City of Emporia, Virginia	\$ 94,240
County of Greensville, Virginia	<u>94,240</u>
Total Local Contributions	<u>\$ 188,480</u>

5 Net Investment in Capital Assets

The net investment in capital assets amount reported on the Statement of Net Position as of June 30, 2024 is determined as follows:

Net Investment in Capital Assets

Cost of capital assets	\$ 11,878,913
Less: Accumulated depreciation	<u>(4,893,213)</u>
Book value	6,985,700
Less: Capital related debt	<u>-</u>
Net Investment in Capital Assets	<u>\$ 6,985,700</u>

6 Capital Assets

The schedule below shows the breakdown of capital assets by category at June 30, 2024:

Enterprise Fund

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Capital Assets Not Being Depreciated				
Land	\$ 70,700	\$ -	\$ -	\$ 70,700
Construction-in-progress	113,046	14,241	-	127,287
Total Capital Assets Not Being Depreciated	183,746	14,241	-	197,987
Other Capital Assets				
Land improvements	205,267	-	-	205,267
Airport infrastructure	9,298,672	-	-	9,298,672
Buildings and improvements	1,802,498	6,271	-	1,808,769
Machinery, equipment, and vehicles	222,622	145,596	-	368,218
Total Other Capital Assets	11,529,059	151,867	-	11,680,926
Less: Accumulated depreciation for				
Land improvements	162,672	5,627	-	168,299
Airport infrastructure	3,789,846	174,534	-	3,964,380
Buildings and improvements	488,385	68,320	-	556,705
Machinery, equipment, and vehicles	189,516	14,313	-	203,829
Total Accumulated Depreciation	4,630,419	262,794	-	4,893,213
Other Capital Assets, Net	6,898,640	(110,927)	-	6,787,713
Net Capital Assets	\$ 7,082,386	\$ (96,686)	\$ -	\$ 6,985,700

7 Leases

Commission as Lessor

The Commission has entered into an agreement as lessor. The lease agreement is summarized as follows:

<u>Property Description</u>	<u>Original Date</u>	<u>Renewal Payment Terms</u>	<u>Next Payment Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2024</u>
Land	1/16/24	5 years	\$ 9,600	4.00%	\$ 39,475
					<u>\$ 39,475</u>

Annual requirements to amortize the lease receivable and related interest are as follows:

<u>Fiscal Year</u>	<u>Receivable Received</u>	<u>Interest Income</u>	<u>Total</u>
2025	\$ 8,170	\$ 1,430	\$ 9,600
2026	8,503	1,097	9,600
2027	8,849	751	9,600
2028	9,209	391	9,600
2029	4,744	56	4,800
	<u>\$ 39,475</u>	<u>\$ 3,725</u>	<u>\$ 43,200</u>

<u>Lease-Related Revenue</u>	<u>Year Ending June 30, 2024</u>
Lease revenue	\$ 4,358
Interest revenue	<u>823</u>
Total	<u>\$ 5,181</u>

8 Upcoming Pronouncements

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

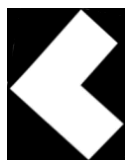
GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

9 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through February 5, 2025.

COMPLIANCE



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Commissioners
Emporia-Greenville Airport Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Emporia-Greenville Airport Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Emporia-Greenville Airport Commission's basic financial statements, and have issued our report thereon dated February 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Emporia-Greenville Airport Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Emporia-Greenville Airport Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Emporia-Greenville Airport Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emporia-Greenville Airport Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Creedle, Jones & Associates, P.C." in a cursive script.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
February 5, 2025